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FORT WAYNE MILK MARKET NEWS

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CHRONOLOGICAL RECORDS

United States Department of Agriculture
Agricultural Stabilization and Conservation Service
Milk Marketing Orders Division
Federal Milk Order No. 32

503 Strauss Building
809-11 S. Calhoun St.
Fort Wayne, Indiana
Phone: Anthony 7401

Issued for Information of Producers
Who Are Not Members of Cooperative Associations

Vol. V No. 6

June 1961

MAY UNIFORM PRICE \$3.64

Dairy farmers who delivered milk to handlers under the Fort Wayne milk order during May 1961 will receive a minimum price of \$3.64 per hundredweight for milk testing 3.5%. This price is 25 cents higher than the May price a year ago and the highest May price for Fort Wayne order milk since 1952. For milk having a higher or lower test than 3.5% the butterfat differential per point is 7.4 cents. The computation of these prices and other information is shown on the following pages.

MARKET STATISTICS

977 producers delivered 17,609,501 pounds of milk to 21 handlers under the Fort Wayne order during May 1961. The average daily milk production per farm was 581 pounds. A year ago in May the average production was 437 pounds. 67.8% of this milk was used in Class I as fluid milk items. The Class I price in May was \$4.43.

SEASONAL PRICING PLAN

The amended Fort Wayne order, that became effective May 1, 1961, contains a plan designed to encourage seasonally level milk production. This type plan is often referred to as a "Louisville Plan."

In comparison to the seasonal pricing plan in the old order, when the handler paid a Class I price that varied from 75 cents over the manufacturing price in April, May and June to \$1.60 in October, November and December, and \$1.15 in the other months, they now pay for their Class I milk at \$1.20 over the basic price in all months.

During April, May and June, a reserve fund is established from the handlers milk payments. This fund will amount to around 35 cents a hundredweight on the producer milk delivered during May and June 1961. The money in the fund will be added to the uniform price computations for milk delivered during September, October and November. This will result in higher prices to producers during these months of normally low milk production. Under this plan farmers are expected to gain substantially by limiting their spring production and increasing their fall production.

FORT WAYNE MILK MARKET NEWSUTILIZATION AND CLASSIFICATION OF ALL MILK RECEIPTS

CLASS I MILK	May 1961 Reported		May 1960 Audited	
	Milk Pounds	BF Pounds	Milk Pounds	BF Pounds
Fluid Milk	10,067,961	355,285	5,723,450	201,305
Regular Skim Milk	84,047	301	104,708	1,801
Skim Milk - Solids Added	941,558	17,043	373,542	5,359
Buttermilk	131,789	914	83,819	813
Flavored Milk/Drink	485,712	13,271	211,288	4,450
Cream Mixtures	183,333	22,329	128,006	15,332
Light Cream	22,895	4,790	15,731	3,146
Heavy Cream	17,155	6,126	10,802	3,905
Sour Cream	16,174	2,986	12,500	2,318
Ice Cream Mix	---	---	6,160	783
Sub Totals	11,950,624	423,045	6,670,006	239,212
Plus Unaccounted For	20,314	2,869	6,012	1,614
Gross Total Class I Milk	11,970,938	425,914	6,676,018	240,826
Less Other Source Receipts	19,820	1,070	1,129,227	39,986
Less Overages	-0-	-0-	-0-	-0-
Less Beginning Inventory	7,931	-0-	---	---
CLASS I PRODUCER MILK IN POOL	11,943,187	424,844	5,546,791	200,840
<u>CLASS II MILK</u>				
Used by Pool Plants in the Manufacture of Class II Items	977,838	17,646	4,397,505	110,684
Sales to Non-pool Manufacturing Plants	4,413,966	204,094	4,316,850	228,964
Ending Inventory	1,227,676	47,115	---	---
Inventory Variation	---	---	+ 125,988	+ 11,739
Dumped or Livestock Feed	20,562	72	27,846	88
Class II Shrinkage	145,363	8,037	80,469	9,475
Gross Total Class II Milk	6,785,405	276,964	8,948,658	360,950
Less Other Source Receipts	56,595	2,716	3,470,239	150,168
Less Overages	15,284	46	-0-	-0-
Less Beginning Inventory	1,047,212	42,913	---	---
CLASS II PRODUCER MILK IN POOL	5,666,314	231,289	5,478,419	210,782
TOTAL PRODUCER MILK IN BOTH CLASSES	17,609,501	656,133	11,025,210	411,622

MISCELLANEOUS INFORMATION

	May 1961	April 1961	May 1960
Daily Class I Milk (Lbs.)	386,159	238,214	215,355
Current Month Compared With:		+ 62.1%	+ 79.3%
Production per Farm per Day	581	467	437
Current Month Compared With:		+ 24.4%	+ 31.4%
Gross Class I Milk to Producer Milk	67.9%	71.8%	60.6%
Pool Value of Producer Milk	\$738,313	\$400,970	\$391,801
Value of Producer Milk per Farm	\$ 756	\$ 565	\$ 481
Midwest Condensery Average	\$ 3.19	\$ 3.23	\$ 3.00
Butter-Skim Powder Price	\$ 3.16	\$ 3.14	\$ 2.91

RECEIPTS AND CLASSIFICATION OF PRODUCER MILK
(By Months and Monthly Averages)

Month or Year	CLASS I			CLASS II			PRODUCER RECEIPTS (100%)		
	Product Pounds	Per- cent	Ave. Test	Product Pounds	Per- cent	Ave. Test	Product Pounds	Ave. Test	No. of Producers
1954	4,863,706	49.8	3.73	4,907,100	50.2	3.85	9,770,806	3.79	1,203
1955	5,439,171	60.2	3.71	3,589,087	39.2	3.77	9,028,258	3.73	1,053
1956	5,372,079	56.9	3.71	4,069,104	43.1	3.85	9,441,183	3.78	969
1957	5,297,442	61.0	3.69	3,387,512	39.0	3.90	8,684,954	3.77	897
1958	5,432,954	60.3	3.69	3,583,075	39.7	4.01	9,016,029	3.78	877
<u>1959</u>									
Jan.	5,734,246	71.8	3.71	2,251,969	28.2	4.58	7,986,215	3.96	816
Feb.	5,127,393	68.9	3.67	2,318,319	31.1	4.30	7,445,712	3.87	814
Mar.	5,453,646	61.4	3.67	3,424,429	38.6	4.09	8,878,075	3.83	838
Apr.	5,455,431	58.5	3.62	3,871,114	41.5	3.85	9,326,545	3.72	853
May	5,485,211	49.3	3.60	5,651,449	50.7	3.62	11,136,660	3.61	853
Jun.	5,075,153	47.7	3.61	5,575,823	52.3	3.45	10,650,976	3.53	851
Jul.	5,000,853	52.8	3.62	4,473,199	47.2	3.55	9,474,052	3.59	825
Aug.	4,928,650	58.5	3.60	3,499,272	41.5	3.52	8,427,922	3.57	807
Sep.	5,514,917	70.4	3.64	2,317,648	29.6	3.62	7,832,565	3.63	797
Oct.	5,915,022	73.2	3.67	2,167,099	26.8	4.21	8,082,121	3.81	792
Nov.	5,416,735	73.0	3.72	2,002,592	27.0	4.63	7,419,327	3.97	800
Dec.	5,703,024	70.6	3.72	2,375,204	29.4	4.61	8,078,228	3.98	801
Ave.	5,400,857	61.9	3.65	3,327,343	38.1	4.00	8,728,200	3.74	821
<u>1960</u>									
Jan.	5,647,775	64.9	3.67	3,057,276	35.1	4.45	8,705,051	3.94	810
Feb.	5,328,756	63.0	3.69	3,128,746	37.0	4.28	8,457,502	3.91	815
Mar.	6,044,400	66.5	3.66	3,042,537	33.5	4.45	9,086,937	3.93	817
Apr.	5,788,382	63.0	3.65	3,405,202	37.0	4.13	9,193,584	3.83	820
May	5,565,612	50.5	3.61	5,450,688	49.5	3.86	11,016,300	3.73	814
Jun.	5,840,565	57.5	3.61	4,315,897	42.5	3.76	10,156,462	3.68	809
Jul.	5,594,931	61.8	3.60	3,453,031	38.2	3.75	9,047,962	3.66	771
Aug.	5,823,405	71.4	3.61	2,337,299	28.6	3.79	8,160,704	3.66	763
Sep.	6,236,425	71.7	3.57	2,458,316	28.3	3.78	8,694,741	3.63	816
Oct.	6,230,313	63.9	3.59	3,517,116	36.1	4.02	9,747,429	3.74	849
Nov.	6,274,145	67.3	3.64	3,051,492	32.7	4.48	9,325,637	3.92	862
Dec.	6,499,191	62.9	3.67	3,830,930	37.1	4.44	10,330,121	3.96	861
Ave.	5,906,158	63.3	3.63	3,420,711	36.7	4.10	9,326,869	3.80	817
<u>1961</u>									
Jan.	6,347,397	59.1	3.58	4,385,705	40.9	4.34	10,733,102	3.89	845
Feb.	5,893,981	59.1	3.58	4,070,710	40.9	4.19	9,964,691	3.83	836
Mar.	6,429,786	62.6	3.58	3,834,277	37.4	4.12	10,264,063	3.78	724
Apr.	6,044,454	60.7	3.58	3,910,303	39.3	4.05	9,954,757	3.77	710
May	11,943,187	67.8	3.56	5,666,314	32.2	4.08	17,609,501	3.73	977

FORT WAYNE MILK MARKET NEWS

ORDER NO. 32 PRICES - 3.5% BASIS
(By Months and Monthly Averages)

Month or Year	CLASS I			CLASS II		UNIFORM	BUTTERFAT DIFFERENTIALS		
	Differ- ential	Supply Demand	Milk Price	Milk Price	Milk Price	Class I	Class II	Producer	
1954	\$1.16	\$-0.27	\$4.003	\$3.106	\$3.59	\$.078	\$.067	\$.067	
1955	1.16	+0.04	4.254	3.049	3.85	.075	.066	.066	
1956	1.26	-0.07	4.352	3.157	3.91	.077	.068	.068	
1957	1.16	+0.06	4.348	3.123	3.93	.077	.068	.068	
1958	1.16	+0.04	4.173	2.965	3.73	.076	.067	.067	
1959									
Jan.	1.15	-0.10	4.062	3.012	3.80	.075	.066	.066	
Feb.	1.15	+0.10	4.262	3.012	3.89	.075	.066	.066	
Mar.	1.15	+0.10	4.156	2.906	3.69	.075	.066	.066	
Apr.	0.75	+0.07	3.707	2.887	3.37	.075	.067	.067	
May	0.75	+0.07	3.725	2.905	3.31	.075	.067	.067	
Jun.	0.75	+0.07	3.711	2.891	3.29	.075	.067	.067	
Jul.	1.15	+0.07	4.117	2.897	3.56	.075	.067	.067	
Aug.	1.15	+0.10	4.252	3.002	3.74	.078	.069	.069	
Sep.	1.15	+0.20	4.465	3.115	4.08	.082	.072	.072	
Oct.	1.60	+0.26	4.974	3.114	4.50	.081	.072	.072	
Nov.	1.60	+0.26	5.036	3.176	4.57	.083	.074	.074	
Dec.	1.60	.00	4.703	3.103	4.24	.080	.071	.071	
Ave.	1.16	+0.10	4.264	3.002	3.84	.077	.069	.069	
1960									
Jan.	1.15	.00	4.219	3.069	3.84	.075	.067	.067	
Feb.	1.15	.00	4.172	3.022	3.75	.075	.067	.067	
Mar.	1.15	.00	4.119	2.969	3.76	.075	.067	.067	
Apr.	0.75	+0.07	3.742	2.922	3.45	.075	.067	.067	
May	0.75	+0.19	3.859	2.919	3.39	.075	.067	.067	
Jun.	0.75	+0.19	3.928	2.988	3.54	.075	.067	.067	
Jul.	1.15	+0.19	4.402	3.062	3.91	.075	.067	.067	
Aug.	1.15	+0.38	4.618	3.088	4.20	.077	.068	.068	
Sep.	1.15	+0.38	4.624	3.094	4.20	.080	.070	.070	
Oct.	1.60	---	4.719	3.119	4.15	.079	.070	.070	
Nov.	1.60	---	4.750	3.150	4.24	.080	.071	.071	
Dec.	1.60	---	4.750	3.150	4.16	.079	.070	.070	
Ave.	1.16	+0.12	4.325	3.046	3.88	.077	.068	.068	
1961									
Jan.	1.15	---	4.250	3.100	3.79	.079	.070	.070	
Feb.	1.15	---	4.193	3.043	3.74	.079	.070	.070	
Mar.	1.15	---	4.189	3.039	3.76	.079	.070	.070	
Apr.	1.15	---	4.287	3.137	3.85	.079	.070	.070	
May	1.20	---	4.430	3.19	3.64	.076	.070	.074	
Jun.	1.20	---	4.39			.076			

FEDERAL MILK MARKET ADMINISTRATOR
FORT WAYNE INDIANA MARKETING AREA

Commodity Stabilization Service
Milk Marketing Orders Division
Federal Order No. 32

503 Strauss Building
Fort Wayne, Indiana
Phone: Anthony 7401

COMPUTATION OF UNIFORM PRICE
(Based on reports of 21 handlers)
MAY 1961

	<u>Milk Pounds</u>	<u>Average Test</u>	<u>Class Prices at Test</u>	<u>Total Value</u>	<u>% of Pounds</u>
Class I	11,943,187	3.5572	\$4.473478	\$534,275.82	67.82%
Class II	<u>5,666,314</u>	4.0818	3.597277	<u>203,833.02</u>	<u>32.18</u>
Total	17,609,501			\$738,108.84	100.00%
Add: Value of Overage				145.31	
Add: Value of Other Source Assessments				16.77	
Add: Value of Inventory Reclassified				<u>42.32</u>	
Pool Value of Producer Milk				\$738,313.24	
Less: (Producer Pounds @ 8% of Class I Price)				62,408.07	
17,609,501 @ \$.3544 cwt.					
Less: Butterfat Adjustment to 3.5%				29,452.34	
Add: 1/2 Cash Balance in Producer Settlement Fund				<u>2,146.58</u>	
Adjusted Pool Value				\$648,599.41	Rate Per Cwt.
Less: Producer Settlement Fund Reserve				<u>7,613.57</u>	<u>.043236</u>
ANNOUNCED UNIFORM PRICE for 3.5% milk				\$640,985.84	<u>\$3.64</u>

COMPUTATION OF PRODUCER BUTTERFAT DIFFERENTIAL

	<u>Butterfat</u>	<u>Differentials</u>	<u>Value</u>
Class I	424,844	\$0.076	\$322.88
Class II	<u>231,289</u>	<u>0.070</u>	<u>161.90</u>
Total	656,133	\$0.074	\$484.78

The announced uniform price (f.o.b. pool plants at which no location adjustments are applicable) of \$3.64 for 3.5% milk is subject to adjustment by the producer butterfat differential of \$0.074 for each 1/10 percent of butterfat over or under 3.5%. This price is also subject to the applicable marketing service deduction and authorized hauling charges.

MINIMUM PRODUCER PRICES AT BUTTERFAT TEST FOR MAY 1961

<u>Test</u>	<u>Price</u>	<u>Test</u>	<u>Price</u>	<u>Test</u>	<u>Price</u>	<u>Test</u>	<u>Price</u>
3.25	\$3.455	3.70	\$3.788	4.15	\$4.121	4.60	\$4.454
3.30	3.492	3.75	3.825	4.20	4.158	4.65	4.491
3.35	3.529	3.80	3.862	4.25	4.195	4.70	4.528
3.40	3.566	3.85	3.899	4.30	4.232	4.75	4.565
3.45	3.603	3.90	3.936	4.35	4.269	4.80	4.602
3.50	<u>3.64</u>	3.95	3.973	4.40	4.306	4.85	4.639
3.55	3.677	4.00	4.010	4.45	4.343	4.90	4.676
3.60	3.714	4.05	4.047	4.50	4.380	4.95	4.713
3.65	3.751	4.10	4.084	4.55	4.417	5.00	4.750

Date Announced:
June 12, 1961

R. J. Connolly
Market Administrator

